Frequently Asked Questions (FAQ's)
Medicaid Provider Incentive Program for
Electronic Health Records (EHR)

1) AM I ELIGIBLE FOR THE EHR INCENTIVE PROGRAM?

A. Only Certain defined Medicaid provider types are eligible

Eligible providers in Medicaid
ELIGIBLE PROFESSIONALS (EPs)
Physicians
-Pediatricians have special eligibility &payment rules
-Clarified physician for Medicaid = MDs and DOs
Nurse practitioners (NPs)
Certified Nurse Midwives (CNMs)
Dentists
Physician Assistants (PAs) when practicing at an FQHC/RHC that is *so led* by a PA   -Clarified "so led" (See final rule)
ELIGIBLE HOSPITALS
Acute care hospitals (including Critical access hospitals (CAHs) and cancer hospitals)
Children's hospitals (Not children's wings of larger hospitals)

B. Hospital Providers further defined as meeting the following criteria:

- One CMS Certification Number (CCN) = one hospital

    o Acute care hospital

        ▪ Average length of stay of ≤25 days and CCN [0001-0879; 1300-1399]

        ▪ Includes: Cancer hospitals; CAHs; and general, short-term stay

    o Children's hospital

        ▪ CCN [3300-3399]

C. Individual and hospital Providers must see certain volumes of Medicaid patients

Entity	Minimum Medicaid patient volume threshold	Or the Medicaid EP *practices predominantly* in an FQHC or RHC—30% *needy individual* patient volume threshold
Physicians	30%	
- Pediatricians	20%	
Dentists	30%	
CNMs	30%	
PAs when practicing at an FQHC/RHC that is so led by a PA	30%	
NPs	30%	
Acute care hospitals	10%	Not an option for hospitals
Children's hospitals	No requirement	

D. Providers must also have initiated certain functions towards using EHRs (Proof of expenditures required)

- **A**dopted: Acquired and installed
    - e.g., evidence of installation, acquisition, or purchase prior to incentive
- **I**mplemented: Commenced utilization of
    - e.g., staff training, support services, data entry of patient demographic information into EHR, maintenance and operation
- **U**pgraded: Expanded
    - e.g., upgraded to certified EHR technology or added new functionality to meet the definition of certified EHR technology

2) HOW MUCH MONEY CAN I RECEIVE IF I MEET ELIGIBILITY REQUIREMENTS AND WHEN WILL I RECEIVE IT?

- North Carolina Medicaid intends to start accepting incentive payment applications by Jan. 1, 2011.

- Payment years based on calendar year for individual providers (EPs) and federal fiscal year for hospitals

- Payment amounts for EPs:

Cap on Net Average Allowable Costs, per Recovery Act	85% allowed for EPs	Maximum cumulative incentive over 6-year period
$25,000 in Year 1 for most EPs	$21,250	$63,750
$10,000 in Years 2-6 for most EPs	$8,500	
$16,667 in Year 1 for pediatricians with a minimum 20 percent patient volume, but less than 30 percent patient volume, Medicaid patients	$14,167	$42,500
$6,667 in Years 2-6 for pediatricians with a minimum 20 percent patient volume, but less than 30 percent patient volume, Medicaid patients	$5,667	

- Payment timeline for EPs:

	2011	2012	2013	2014	2015	2016
2011	$21,250					
2012	$8,500	$21,250				
2013	$8,500	$8,500	$21,250			
2014	$8,500	$8,500	$8,500	$21,250		
2015	$8,500	$8,500	$8,500	$8,500	$21,250	
2016	$8,500	$8,500	$8,500	$8,500	$8,500	$21,250
2017		$8,500	$8,500	$8,500	$8,500	$8,500
2018			$8,500	$8,500	$8,500	$8,500
2019				$8,500	$8,500	$8,500
2020					$8,500	$8,500
2021						$8,500
TOTAL	$63,750	$63,750	$63,750	$63,750	$63,750	$63,750

Note: Payment timeline for EPs; example based on 2011 as year 1, however can be any 6 years during the 10 year program.

- Payment information for hospitals

  o Similar to Medicare hospital methodology

  o Payment is calculated, then disbursed over 4 years

  o No annual payment may exceed 50% of the total calculation; no 2-year payment may exceed 90%

  o Hospitals cannot initiate payments after 2016 and payment years must be consecutive after 2016

  o States must use auditable data sources in calculating the hospital incentive (e.g. cost report)

- Payment calculations for hospitals

Incentive Amount = [Overall EHR Amount] X [Medicaid Share]

Overall EHR Amount (4 Yr. Period):

(Base Amount for each year ($2,000,000) + Discharge Related Amount for Each Year) * Transition Factor for Each Year

Transition Factors	
Year	Factor
1	1.0
2	0.75
3	0.5
4	0.25

Medicaid Share (4 Yr. Period):

$$\frac{A}{\left(\frac{B}{C}\right)}$$

A = Medicaid inpatient bed days + Medicaid managed care inpatient bed days
B = (total inpatient bed days) * (estimated total charges – charity care charges)
C = estimated total charges
Discharge Related Amount = $200 x (23,000 maximum discharges – 1,149 minimum discharges)

Note: For additional information see final rule.

3) WHAT DO I HAVE TO DO TO APPLY?

Medicaid will soon publish detailed instructions on that process, but we know several of the basic steps that will be required

- Providers must meet the <u>basic requirements</u> in order to be considered:

    1. be one of the types of providers identified as eligible for the incentive payment

    2. apply for and receive a National Provider Identifier (NPI) through the federal NPPES system

    3. meet the minimum threshold of Medicaid or "needy individual "patient volume

    4. **A**dopt, **I**mplement or **U**pgrade a <u>certified</u> EHR system

- Each provider will initially enroll with CMS at a national WEB site called the National Level Repository (NLR) (to be established) to complete a basic registration

- Each provider will then supply supplemental information to NC Medicaid through the secure NCTRACKS website

- Incentive payments to Eligible Providers will be processed within 30 days of approval and will be paid on an annual basis.

4) WHO DO I CONTACT FOR MORE INFORMATION?

- Monthly Medicaid Bulletins will publish final procedures, instructions, changes and updates

- Technical assistance in the selection of a certified EHR as well as assistance in the implementation of the system within a provider's practice will be provided by the Regional Education Center (REC), a project of the Area Health Education Centers (AHEC) in NC. Information about their services can be found at: https://www.ncahecrec.net/Default.aspx

- Technical assistance is also available at the CMS WEB site: http://www.cms.gov/EHRIncentivePrograms/

5) WHERE MAY I OBTAIN A CERTIFIED EHR SYSTEM?

- Standards, implementation specifications, and certification criteria for health IT are being established by the Office of the National Coordinator (ONC.)

- The ONC certification process and the criteria for certification is new. ONC is currently in the process of certifying the agencies who will conduct the certification process. Many vendors have been planning for certification and may be applying and receive certification soon. As of July 22, 2010 there are no EHR products certified; previous certifications under CCHIT are not recognized under the new rule.

- The ONC Web site will be the official source of the listing of EHR certified systems. As systems receive certification they will be listed at:

   http://healthit.hhs.gov

6) WHAT IF THE PRODUCT I USE IS NOT ON THE LIST?

- Contact your EHR product vendor; in order to receive an incentive payment your EHR system MUST BE listed on ONC's WEB site at the link above.

7) WHAT WILL I NEED TO DO TO RECEIVE AN INCENTIVE PAYMENT IN YEAR 2?

- Details for year 2 are highlighted in the chart below. See the final rule for additional information.

Medicaid Year 2 – Final Rule
▪ Must meet "core set"/can defer 5 from optional "menu set"
▪ 25 measures for EPs/24 for eligible hospitals
▪ Measure thresholds range from 10% to 80% of patients or orders (most at lower to middle range)
▪ Denominators –No measures require manual chart review to calculate threshold
▪ Administrative transactions removed
▪ Measures for Patient-Specific Education Resources and Advanced Directives (for hospitals) included
▪ States' flexibility with Stage 1 MU is limited to seeking CMS approval to require 4 public health-related objectives to be core instead of menu
▪ Modified Core CQM and removed specialty measure groups for EPs
▪ 44 CQM total for EPs –must report total of 6
▪ All final CQM have electronic specifications at time of final rule

publication	
▪ 15 CQM total for eligible hospitals	
▪ 4 CQM overlap with CHIPRA initial core set	

Note: Additional FAQs are available at:
http://questions.cms.hhs.gov/app/answers/list/p/21,26,1058